

Registered number  
00784339

**Ibstock Brick Holding Company Limited**

Annual Report and Financial Statements  
for the year ended 31 December 2022

# Ibstock Brick Holding Company Limited

## Reports and financial statements for the year ended 31 December 2022

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# **Ibstock Brick Holding Company Limited**

## **Company Information**

### **Directors**

J H Hudson  
C M McLeish

### **Company Secretary**

R A Parker (appointed 27th January 2023)  
N D M Giles (resigned 27th January 2023)

### **Auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindleyplace  
Birmingham  
West Midlands  
United Kingdom  
B1 2HZ

### **Bankers**

Lloyds Bank Plc  
7 High Street  
Leicester  
United Kingdom  
LE1 9FS

### **Registered office**

Leicester Road  
Ibstock  
Leicestershire  
United Kingdom  
LE67 6HS

### **Registered number**

00784339

# Ibstock Brick Holding Company Limited

## Strategic Report

The Directors present the strategic report of Ibstock Brick Holding Company Limited ('the Company') for the year ended 31 December 2022.

### **Principal activities**

The Company is an indirect subsidiary of, and is included within the consolidated financial statements of, Ibstock Plc ('the ultimate parent' and 'the Group'). Its principal activity during the year was that of an intermediate holding company. Since 2005, the Company has also generated revenue through mineral royalties earned. The Directors do not expect that to change in the foreseeable future.

### **Results**

The profit for the year, after taxation amounted to £5,039,000 (2021: profit £1,840,000).

During the year the Company received a total income from investments of £86,771,000 and occurred a total impairment of investments of £83,709,000 following a legal entities rationalisation project.

The Company had net assets of £77,866,000 as at 31 December 2022 (2021: net assets of £72,827,000).

### **Review of business and future developments**

The Company's key financial and other performance indicators used by the Directors to manage the business during the year were as follows:

	2022 £000	2021 £000	Change %
Turnover	3,388	3,291	2.9
Total operating profit	2,621	2,465	6.3
Profit before taxation	5,683	2,465	130.5
Profit for the financial year	5,039	1,840	173.9
Total shareholders' funds	77,866	72,827	6.9

The increase in the Company's turnover and profit from 2021 to 2022 was a result of the higher sales and production within its subsidiary, Ibstock Brick Limited, from which mineral royalties are received. This increase arose from strong structural demand within Repair, Maintenance and improvement ("RMI") end markets.

The Company's direct and indirect trading subsidiaries reported a strong performance for the year ended 31 December 2022. Trading was robust, supported by strong demand across all key markets, and good operational execution across the Group ensured that they delivered a significantly improved result in 2022.

The Company expects to continue in operation as a holding company and to generate mineral royalty income.

# **Ibstock Brick Holding Company Limited**

## **Strategic Report (continued)**

### ***Principal risks and uncertainties***

The Directors of the Company's ultimate parent consider the principal risks and uncertainties of the Group with assistance from its Audit Committee. The principal risks facing the Company are outlined below with full detail being included in the 2022 Annual Report and Accounts of Ibstock Plc. The principal risks include climate change, material operational disruption, market uncertainty, anticipating product demand, financial risk management, regulatory and compliance, maintaining customer relationships and market reputation, people and talent management, product quality, cyber and information security and major project delivery.

*The Company's key financial risk management objective and policy are as per the below:*

### **Financial risk management**

– Credit risk: The Company's principal financial assets are intercompany receivables and investments. The Company's credit risk is primarily attributable to intercompany balances. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. No allowances have been recognised as at 31 December 2022 or 31 December 2021.

– Liquidity risk: In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company relies on financial support provided by the Group.

### **Stakeholder statements**

#### **Other stakeholders**

From the perspective of the Directors, as a result of the Group's governance structure, the ultimate parent Company's Board has taken the lead in carrying out the duties of the Directors in respect of the Company's other stakeholders. The Directors have also considered relevant matters, where appropriate. An explanation of how the Directors on the ultimate parent Company's Board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including the principal decisions taken by the Company during the financial year, is set out (for the Group and for this entity) on pages 44 to 45 and page 89 of the Annual Report and Accounts 2022 of Ibstock plc, which does not form part of this report.

Further details also can be found in the section 172(1) statement below.

#### ***Section 172(1) statement***

The Company is a holding company for the principal subsidiaries as set out in note 7 of the Company's Annual Report and Financial Statements and has no suppliers, customers, communities, direct investors or employees. The Company's only stakeholders are therefore the Group, its subsidiaries/subsidiary, and Government & Regulators.

# **Ibstock Brick Holding Company Limited**

## **Strategic Report (continued)**

### **Stakeholder statements (continued)**

#### ***Section 172(1) statement (continued)***

The Group's executive directors sit on the boards of each of the Company, the ultimate parent company and the Company's subsidiaries/subsidiary. This forms the primary communication between stakeholders and facilitates effective open, transparent and two-way engagement, any appropriate feedback from which forms part of each board's strategic discussions. This structure supports the board in performing its duties in compliance with the matters set out in section 172(1) of Companies Act 2006 ('s172').

The Directors ensure legislative and regulatory compliance with access to subject matter expertise and training as part of the on-going Group's compliance programme.

During the year, the Board continued to ensure that the Company and Group's strategy remained appropriate to deliver the long-term success of the Company, and oversaw Management's execution of the strategy. The Board carefully evaluated the likely consequences of its decisions, challenging management where necessary to ensure that the impact of any decisions over the long-term would be of benefit to the Company.

The Board remains committed to ensuring the business operates with the highest standards of integrity, and continually reviews and tests the compliance arrangements in place. A significant part of the Board's leadership responsibility is to ensure that the Company's purpose, strategy and culture remain aligned, and it recognises that a robust and transparent culture is a solid foundation for maintaining the Company and the Group's reputation for high standards of business conduct. Over the course of the year, the Board has overseen and supported the initiatives undertaken on culture.

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's purpose, vision and values, together with its strategic priorities and takes account of its role as a responsible business. By doing this, the aim is to ensure that decisions are robust and sustainable and drive long-term success for the Company.

To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the ultimate parent company's board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 88 and 89 of the Annual Report and Accounts 2022 of Ibstock Plc, which does not form part of this report.

The report was approved by the Board on 30 June 2023 and signed on its behalf by:



C M McLeish

**Director**

30 June 2023

## Directors' Report

The Directors present their report and audited financial statements for the year ended 31 December 2022.

The Company has chosen, in accordance with Section 414 C(11) of the Companies Act 2006, to include certain matters in its Strategic report that would otherwise be required to be disclosed in this Directors' report. Details of the Company's Shareholder statements, financial risk management policies and objectives and future developments, can be found in the Strategic report on pages 2 to 4 and form part of this report by cross reference.

### Directors

The following persons served as Directors during the year and up to the date of approval of the financial statements:

C M McLeish  
J H Hudson

### Energy and carbon reporting

The Company has taken advantage of the disclosure exemptions available to it as it meets the definition under Schedule 7 (1A) of the Large and medium-sized companies and Groups (Accounts and Reports) Regulations. The Company is an indirect subsidiary of, and is included within the consolidated financial statements of, Ibstock Plc, which has the same financial year end as the Company.

### Auditor

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### Disclosure of information to auditor

Each person who was a Director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Going Concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and its ultimate parent group ('the Group') have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company until at least 12 months from the date of this report in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources available within the Group are sufficient to accommodate the principal risks and uncertainties faced by the Company.

During the final quarter of the 2021 year, the Group completed the refinancing of its March 2023 £215 million Revolving Credit Facility (RCF), replacing the existing facility with the issuance of £100 million of private placement notes with maturities of between seven and twelve years and a £125 million RCF for an initial four-year tenure, with a one-year extension option. In addition, in the final quarter of 2022, the Group enacted a one-year extension of the £125 million RCF, extending maturity to November 2026 on similar terms to the original agreement. At 31 December 2022 the RCF was undrawn.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

**Directors' Report (continued)**

**Going Concern (continued)**

The key uncertainty faced by the Group is the industry demand for its products in light of macroeconomic factors. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demands for its products thereby stress testing the Group's resilience. Further detail on the Group's scenario modelling is included within the Annual Report and Accounts 2022 of Ibstock Plc.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Company has sufficient resources and support of its parent to continue in operation for a period of not less than 12 months from the date of approval of this report. Accordingly, the financial information is prepared on a going concern basis.

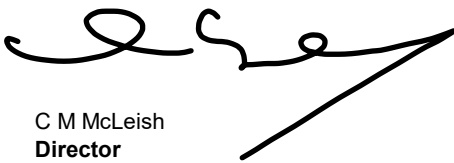
**Dividends**

No dividend was paid in the current or preceding period. The Directors do not recommend the payment of dividend after the balance sheet date.

**Subsequent events**

No subsequent events requiring disclosure or adjustments to these financial statements have been identified since the balance sheet date.

The report was approved by the Board on 30 June 2023 and signed on its behalf by:



C M McLeish  
**Director**  
30 June 2023



## **Ibstock Brick Holding Company Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Ibstock Brick Holding Company Limited

### Income Statement

for the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Turnover	2	3,388	3,291
Cost of sales		(767)	(826)
<b>Gross profit</b>		<u>2,621</u>	<u>2,465</u>
<b>Operating profit</b>	3	<u>2,621</u>	<u>2,465</u>
Impairment of investments	7	(83,709)	-
Income from investments	8	86,771	-
<b>Profit before taxation</b>		<u>5,683</u>	<u>2,465</u>
Tax on profit	5	(644)	(625)
<b>Profit for the financial year</b>		<u><u>5,039</u></u>	<u><u>1,840</u></u>

All amounts were from continuing operations.

The notes on pages 11 to 15 form an integral part of the financial statements.

There are no other items of comprehensive income or loss in the current or prior year other than those included in the Income Statement and accordingly no separate statement of other comprehensive income has been presented.

**Statement of Financial Position**  
as at 31 December 2022

	Notes	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	6	34,058	34,825
Investments	7	25,858	108,803
		<u>59,916</u>	<u>143,628</u>
<b>Current assets</b>			
Debtors	9	75,655	50,240
<b>Creditors: amounts falling due within one year</b>	10	(57,705)	(121,041)
<b>Net current assets/(liabilities)</b>		<u>17,950</u>	<u>(70,801)</u>
<b>Total assets less current liabilities</b>		<u>77,866</u>	<u>72,827</u>
<b>Net assets</b>		<u><u>77,866</u></u>	<u><u>72,827</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	5	5
Share premium account	11	59,995	59,995
Profit and loss account	11	17,866	12,827
<b>Total shareholders' funds</b>		<u><u>77,866</u></u>	<u><u>72,827</u></u>

The notes on pages 11 to 15 form an integral part of the financial statements.

The financial statements were approved by the Board and authorised for issue on 30 June 2023 and signed on its behalf by:



C M McLeish  
**Director**  
30 June 2023

## Ibstock Brick Holding Company Limited

### Statement of Changes in Equity

for the year ended 31 December 2022

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
<b>At 1 January 2021</b>	5	59,995	10,987	70,987
Profit for the financial year	-	-	1,840	1,840
Total comprehensive income	-	-	1,840	1,840
<b>At 31 December 2021</b>	<b>5</b>	<b>59,995</b>	<b>12,827</b>	<b>72,827</b>
<b>At 1 January 2022</b>	5	59,995	12,827	72,827
Profit for the financial year	-	-	5,039	5,039
Total comprehensive income	-	-	5,039	5,039
<b>At 31 December 2022</b>	<b>5</b>	<b>59,995</b>	<b>17,866</b>	<b>77,866</b>

The notes on pages 11 to 15 form an integral part of the financial statements.

## **Ibstock Brick Holding Company Limited**

### **Notes to the Financial Statements**

for the year ended 31 December 2022

#### **1 Summary of significant accounting policies**

##### ***Statement of compliance***

Ibstock Brick Holding Company Limited is a private company limited by shares incorporated in United Kingdom under Companies Act 2006 and registered in England and Wales. The Registered Office is Leicester Road, Ibstock, Leicestershire, United Kingdom LE67 6HS.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2022.

The principal activities of the Company and the nature of the operations are set out on the strategic report on page 2.

##### ***Basis of preparation***

The financial statements have been prepared under the historic cost convention and in accordance with applicable

Under s400 (2) of the Companies Act 2006, the company has not presented consolidated financial statements as these are included in the consolidated financial statements of the ultimate parent undertaking. Accordingly, the financial statements present information regarding the company as an individual undertaking and not as a group.

##### ***Reduced disclosure exemptions***

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

##### ***Going concern***

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and its ultimate parent group ('the Group') have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

During the final quarter of the 2021 year, the Group completed the refinancing of its March 2023 £215 million Revolving Credit Facility (RCF), replacing the existing facility with the issuance of £100 million of private placement notes with maturities of between seven and twelve years and a £125 million RCF for an initial four-year tenure, with a one-year extension option. In addition, in the final quarter of 2022, the Group enacted a one-year extension of the £125 million RCF, extending maturity to November 2026 on similar terms to the original agreement. At 31 December 2022 the RCF was undrawn.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

The key uncertainty faced by the Group is the industry demand for its products in light of macroeconomic factors. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demands for its products thereby stress testing the Group's resilience. Further detail on the Group's scenario modelling is included within the Annual Report and Accounts 2022 of Ibstock Plc.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Company has sufficient resources and support of its parent to continue in operation for a period of not less than 12 months from the date of approval of this report. Accordingly, the financial information is prepared on a going concern basis.

## **Ibstock Brick Holding Company Limited**

### **Notes to the Financial Statements**

for the year ended 31 December 2022

#### **1 Summary of significant accounting policies**

##### ***Revenue recognition***

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually at the point of dispatch, the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents mineral royalties generated from clay tonnages that are extracted at an agreed royalty rate.

##### ***Tangible fixed assets***

Tangible fixed assets are measured at cost less cumulative depreciation and any cumulative impairment losses. The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable.

basis.

##### ***Investments***

Investments are stated at the lower of cost or recoverable amount. The carrying values of investments are reviewed for impairment in years if events or changes in circumstances indicate that the carrying value may not be recoverable. At the year end a review was performed comparing the net carrying value of investments within the financial statements, to the level of shareholder funds held within the subsidiary undertaking. This review resulted in there being no impairment required for the year ended 31 December 2022. An impairment did occur as a result of legal entity rationalisation exercise leading to the dissolution of a dormant subsidiary of the business. The Directors do not anticipate a significant risk of material impairment during the year ended 31 December 2023.

##### ***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

##### ***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

##### ***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past years. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous year.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

##### ***Critical accounting estimates and***

No critical judgements or estimates were made in applying the Company's accounting policies for the current year or prior year.

## Ibstock Brick Holding Company Limited

### Notes to the Financial Statements

for the year ended 31 December 2022

<b>2 Turnover</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Royalties	3,388	3,291

Turnover represents mineral royalties earned during the year, all within the UK.

<b>3 Operating profit</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
This is stated after charging:		
Amortisation of mineral reserves	767	826

Auditor's remuneration for the audit of the financial statements £6,000 (2021: £6,000) are borne by Ibstock Brick Limited.

#### 4 Staff costs

The Company has no employees other than the two Directors (2021: two Directors).

The Directors' services to the Company do not occupy a significant amount of their time. As such the Directors do not consider that they have received any remuneration for their inconsequential services to the Company for the year ended 31 December 2022 and the year ended 31 December 2021.

<b>5 Tax on profit</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of charge in year</b>		
Current tax:		
UK corporation tax on profits of the year	644	625
Tax charge on profit	644	625

#### Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Profit before tax	5,683	2,465
Standard rate of corporation tax in the UK	19.00%	19.00%
Profit multiplied by the standard rate of corporation tax	1,080	468
Effects of:		
Expenses not deductible for tax purposes	16,050	157
Non-taxable dividend income	(16,486)	-
Total tax charge for year	644	625

#### Factors that may affect future tax charges

As part of the measures announced in the 2022 Autumn Statement, the Chancellor of the Exchequer reinstated the previously cancelled increase in the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023. The full impact of this change is reflected in these financial statements.

#### Deferred taxation

There is no deferred tax asset or liability as at 31 December 2022 (2021: nil).

## Ibstock Brick Holding Company Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 6 Tangible assets

	<b>Mineral Reserves £000</b>
<b>Cost</b>	
At 1 January 2022	47,645
At 31 December 2022	<u>47,645</u>
<b>Amortisation</b>	
At 1 January 2022	12,820
Charge for the year	767
At 31 December 2022	<u>13,587</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>34,825</u>
At 31 December 2022	<u>34,058</u>

#### 7 Investments

	<b>2022 £000</b>	<b>2021 £000</b>
Cost at 1 January	108,803	108,803
Capital contribution	764	-
Impairment	(83,709)	-
Cost at 31 December	<u>25,858</u>	<u>108,803</u>

In 2022, capital contribution and investment impairment occurred as a result of rationalisation of the group structure and dissolution of some dormant subsidiaries of the Company.

The company had the following subsidiaries as at 31 December 2022:

<b>Company</b>	<b>Shares held Class</b>	<b>Proportion of shares</b>	<b>Country of Incorporation</b>	<b>Nature of Business</b>
Ibstock Brick Limited	Ordinary	100	UK	Brick sales and brick specials manufacturer
Ibstock Leasing Ltd*	Ordinary	100	UK	Intergroup leasing
Ibstock Manufacturing Services Limited	Ordinary	100	UK	Brick manufacturer
Kevington Building Products Limited	Ordinary	100	UK	Dormant
Ibstock Brick Leicester Limited	Ordinary	100	UK	Dormant
Ibstock Brick Aldridge Limited	Ordinary	100	UK	Dormant
Ibstock Brick Himley Limited	Ordinary	100	UK	Dormant
Ibstock Westbrick Limited	Ordinary	100	UK	Dormant
Ibstock Brick Aldridge Property Limited	Ordinary	100	UK	Dormant
Moore & Sons Limited	Ordinary	100	UK	Dormant
Manchester Brick and Precast Limited	Ordinary	100	UK	Dormant
Ibstock Brick Nostell Limited	Ordinary	100	UK	Dormant
Ibstock Brick Roughdales Limited	Ordinary	100	UK	Dormant
Ibstock Brick Cattybrook Limited	Ordinary	100	UK	Dormant
Ibstock Hathernware Limited	Ordinary	100	UK	Dormant
Ibstock Bricks (1996) Limited	Ordinary	100	UK	Dormant
Wealdbeam Systems Limited*	Ordinary	100	UK	Dormant
Loopfire Systems Limited	Ordinary	100	UK	Dormant

\* After the year end these companies have been dissolved following rationalisation of the group structure.

Ibstock Brick Limited and Ibstock leasing Limited was owned directly by Ibstock Brick Holding Company Limited. All other companies are indirectly owned.

The country of incorporation is the same as the place of business for all the above entities. All entities have the same registered office as the ultimate Parent Company, Leicester Road, Ibstock, Leicestershire, United Kingdom LE67 6HS.



## Ibstock Brick Holding Company Limited

### Notes to the Financial Statements

for the year ended 31 December 2022

<b>8 Income from investments</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Income from investments held	86,771	-
	<u>86,771</u>	<u>-</u>

In 2022, the Company received a total of £86,771,000 from its subsidiaries following rationalisation of the group structure.

<b>9 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by subsidiary undertakings	75,655	50,240
	<u>75,655</u>	<u>50,240</u>

Amounts due from subsidiary undertakings are unsecured, do not carry any interest and are repayable on demand. These amounts have been recorded as current assets as plans are being put in place to settle them with their related counterparties and these are not expected to be used on a continuing basis.

<b>10 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to parent undertakings	57,705	59,273
Amounts owed to subsidiary undertakings	-	61,768
	<u>57,705</u>	<u>121,041</u>

In 2022, the amounts owed to subsidiary undertakings were settled as part of the legal entity rationalisation exercise. Amounts due to parent undertakings and subsidiary undertakings are unsecured, do not carry any interest and are repayable on demand.

<b>11 Capital and reserves</b>	<b>Nominal value</b>	<b>Number</b>	<b>2022</b>	<b>2021</b>
			<b>£000</b>	<b>£000</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	4,900	<u>5</u>	<u>5</u>

The Ordinary shares give full voting, dividend and capital distribution rights. The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. The profit and loss reserve represents cumulative profit or losses net of dividends and other adjustments.

### 12 Related party transactions

The Company is a wholly owned subsidiary of Ibstock Plc as at 31 December 2022, the consolidated financial statements of which are publicly available at Ibstock Plc, Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS. Accordingly, the Company has taken advantage of the exemption in FRS 102.33.1A, from disclosing transactions with members of Ibstock Plc Group. Related party balances are disclosed in Note 9 and Note 10.

### 13 Controlling party

The Company's immediate parent company is Ibstock Group Limited. The ultimate parent company, ultimate controlling party and the only Group company into which this Company is consolidated is Ibstock Plc. Both Ibstock Group Limited and Ibstock Plc have the same registered office address as the Company.

The parent of the smallest and largest group in which these financial statements are consolidated is Ibstock Plc, incorporated in England.

The address of Ibstock Plc is: Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS.

These financial statements are available on request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### 14 Subsequent events

No subsequent events requiring disclosure or adjustments to these financial statements have been identified since the balance sheet date.

## **Independent Auditor's Report to the members of Ibstock Brick Holding Company Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Ibstock Brick Holding Company Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the members of Istock Brick Holding Company Limited (continued)**

### **Report on the audit of the financial statements (continued)**

#### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK companies act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

## Independent Auditor's Report to the members of Ibstock Brick Holding Company Limited (continued)

### Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Highton (FCA)  
Senior Statutory Auditor  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom  
30 June 2023